## Message Text

## CONFIDENTIAL

PAGE 01 QUITO 04888 152323Z ACTION ARA-14

INFO OCT-01 EUR-12 ISO-00 EB-08 PM-05 L-03 AID-05 ACDA-12 OMB-01 SS-15 TRSE-00 CIAE-00 INR-10 NSAE-00 /086 W

-----050391 161703Z /43

R 151650Z JUL 78 FM AMEMBASSY QUITO TO SECSTATE WASHDC 8808 INFO AMEMBASSY LONDON SECDEF WASHDC USCINCSO QUARRY HTS CZ

CONFIDENTIAL QUITO 4888

E.O. 11652: GDS TAGS: MASS, EC SUBJECT: POSSIBLE PAY-OFFS ON SALE OF RAPIER ANTI-AIRCRAFT MISSILE SYSTEM TO ECUADOR

REFS: (A) STATE 173328; (B) QUITO 4494; (C) QUITO 1342

1. EMBASSY SIMPLY HAS NO WAY OF PROVING OR DISPROVING OLMEDO'S ASSERTION THAT THE BRITISH ARE OFFERING PAY-OFFS TO PROMOTE THE SALE OF THE RAPIER ANTI-AIRCRAFT MISSILE TO ECUADOR.

OLMEDO IS AN HONORABLE MAN WHO HAS DEALT WITH US FAIRLY AND OPENLY IN THE PAST. WE HAVE NO REASON TO BELIEVE THAT HE WOULD GRATUITOUSLY MISLEAD US IN THIS INSTANCE. ON THE OTHER HAND, HE COULD HAVE A WIDE VARIETY OF PERSONAL AND PROFESSIONAL MOTIVES FOR RAISING THIS SUBJECT WITH US IN THE WAY HE DID.

2. IN THE ABSENCE OF CONCRETE INFORMATION ON PAY-OFFS THE EMBASSY DOUBTS THE EFFICACY OF THE USG RAISING THE ISSUE WITH THE U.K. AS WE NOTED IN REF (C), PAY-OFFS ARE AN ACCEPTED PART OF DOING BUSINESS HERE, AND ECUADOREANS, BOTH WITHIN AND WITHOUT THE MILITARY, SIMPLY ASSUME THAT A MAJOR MILITARY PURCHASE IS ACCOMPANIED BY PAY-OFFS. UNFORTUNATELY, THIS CYNICISM CONFIDENTIAL

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HAS PROBABLY BEEN JUSTIFIED TOO OFTEN IN THE PAST. THE RESULT IS, HOWEVER, THAT THERE WILL BE SUSPICIONS AND VIELED ACCUSATIONS OF WRONG-DOING IN ANY SALE OF THE MAGNITUDE OF THIS ANTI-AIRCRAFT MISSILE DEAL EVEN WHEN THE SALE IS CLEAN.

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## Message Attributes

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**Current Classification: UNCLASSIFIED** 

Concepts: BRIBERY, MILITARY SALES, ANTIAIRCRAFT GUNS, MISSILES, ALLEGATIONS

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Disposition Comment: 25 YEAR REVIEW

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Subject: POSSIBLE PAY-OFFS ON SALE OF RAPIER ANTI-AIRCRAFT MISSILE SYSTEM TO ECUADOR

TAGS: MASS, PCAT, EC

To: STATE Type: TE

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